

# Divestment Process



Town Meeting  
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# Introduction to Divestment



## Team Members

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## Purpose

To Develop and Propose a Formal Method  
for Accomplishing the Divestment  
of ESH Activities

## Charter

Propose Approach

Define Process Principles

Develop Process Steps

Propose Resolution to Issues

# Process Principles

- ESH Division Goal

To be the Contractor of Choice, demonstrating Value through Economy and Excellence

- Divestment Decisions will be made Formally and Deliberately between Division Directors and will be Unique, for now

- Activities considered for Divestment must have Shared Direction & Purpose with Receiving Organization Work

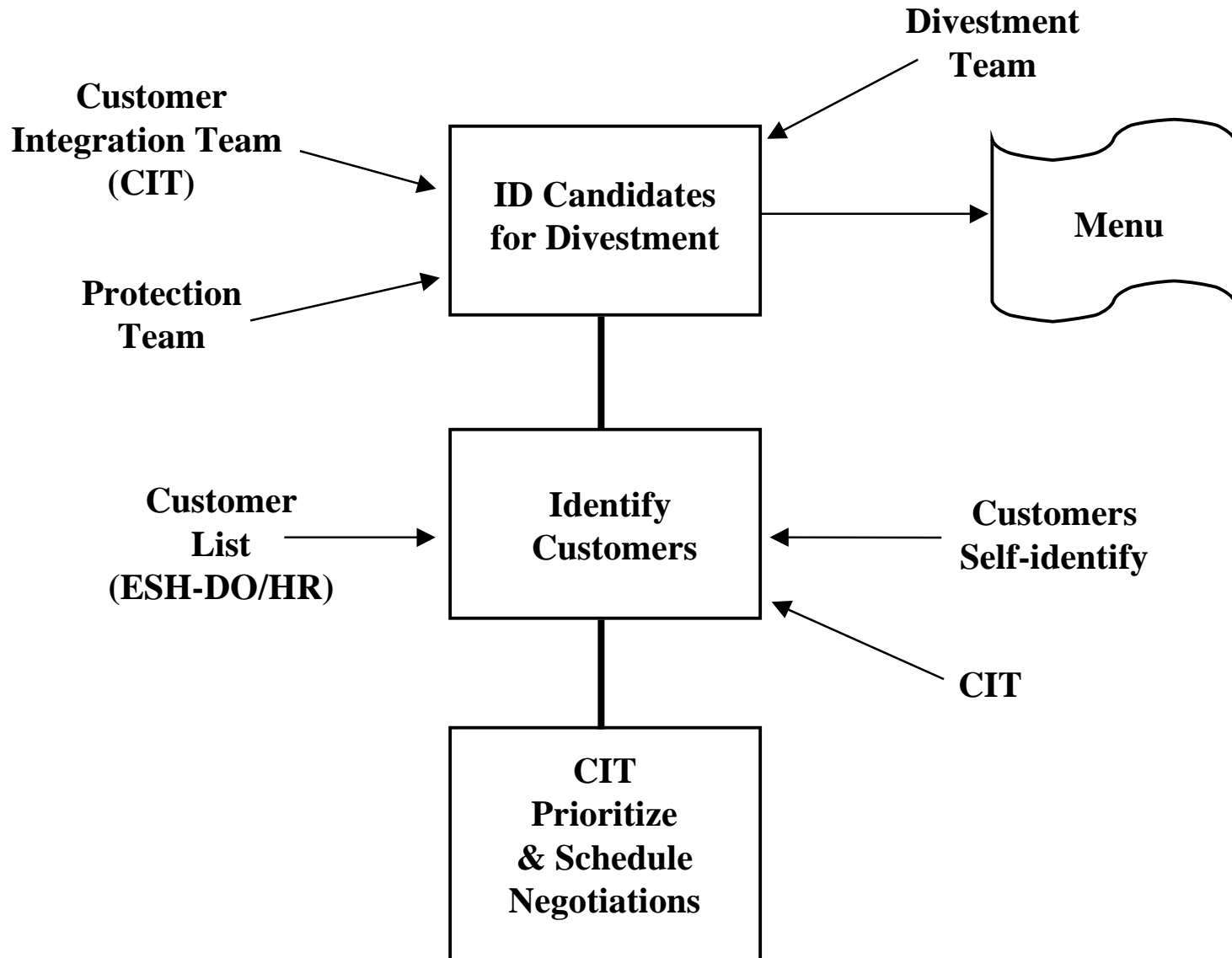
- We're talking ES&H Activities, not necessarily People

- Activities can be Discipline-centered or Process-centered

# Process Principles <sup>(2)</sup>

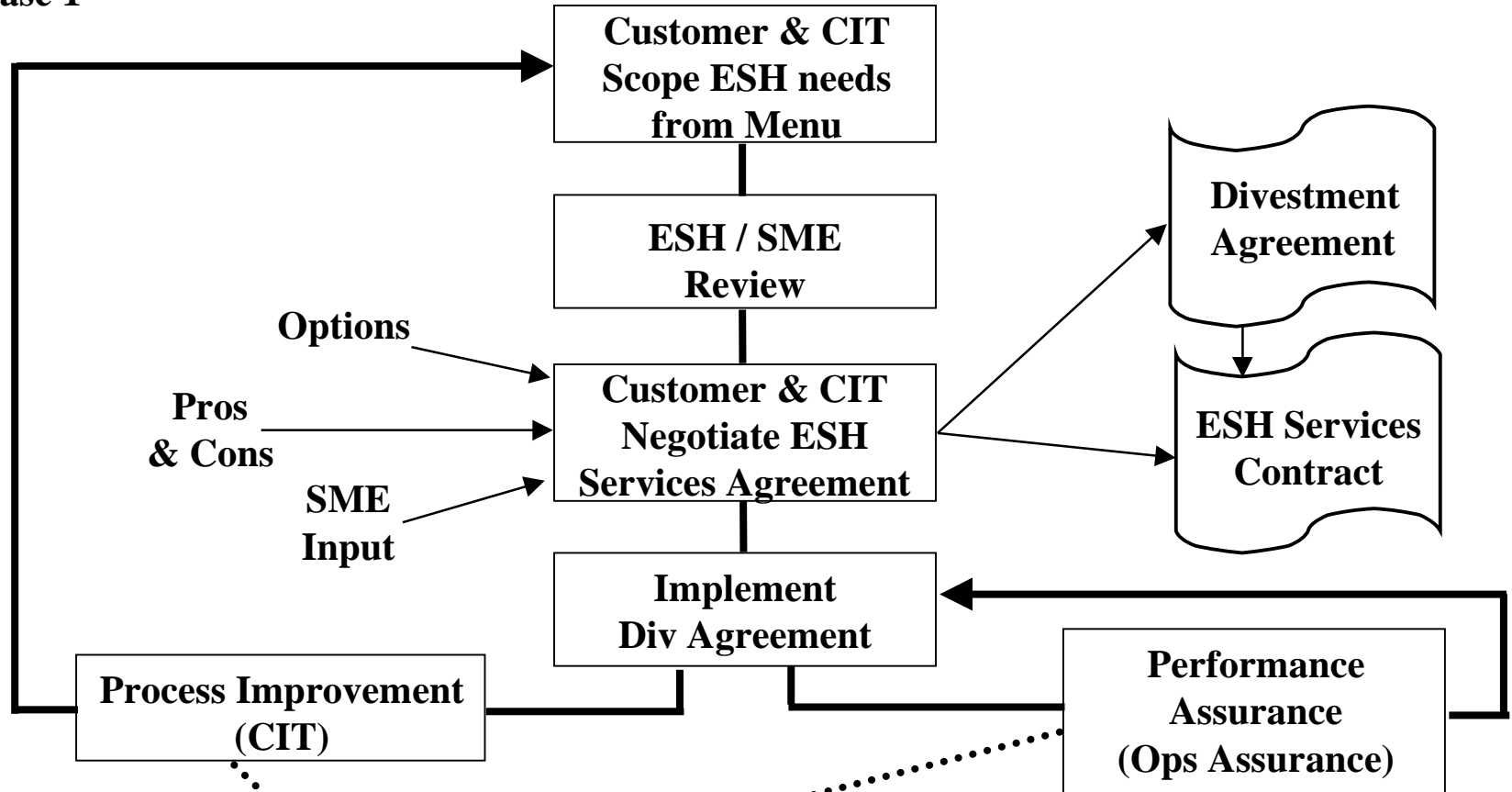
- This is a Customer-Driven Process; ESH Division is not “Dumping” Activities
- ISM Maturity of Customer and Infrastructure Maturity of ESH Function are Key
- Formula for Successful Divestment may be same as for Successful Deployment
- **People Issues remain the most Sensitive and Important**
  - We value and encourage employee feedback throughout this process
  - Our intent is to find mutually desirable solutions
  - Information and Comment Forum at [website.lanl.gov](http://website.lanl.gov)

# Divestment: Preliminary Process

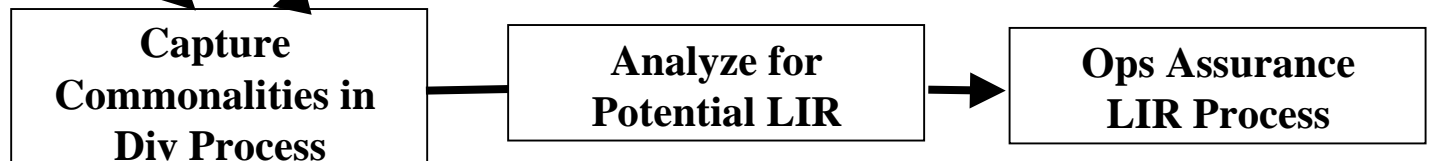


# Divestment: Phased Implementation

## Phase 1



## Phase 2



# Divestment Agreement Outline



- Preamble / Assumptions
- Scope of work
- Procedures/Schedules
- Training (Re-training) and Qualifications
- Oversight/Hold Point
- Organizational Links
- Resources
- Recommendations
- Implementation Schedule
- Approvals
- Periodic reviews and feedback with defined frequency

# Example ESH Services Matrix



Division XYZ			
	Radiation Protection	Health & Safety	Environment Protection
Centralized	4	3	2
Deployed	10	2	0
Divested	4	0	3



# Example ESH Services Matrix (Radiation Protection Detail)

Division XYZ			
	HP Operations	Rad Engineering	Rad Instruments
Centralized	0	2	2
Deployed	8	1	1
Divested	3	1	0

# Customer Pros & Cons



## PROs

Flexibility to implement safety requirements

Resources used for general services

You see what you pay for

Short-term cost savings

Ensures shared fate of individual w/customers

## CONs

Limited breath/depth in safety capabilities  
loss of focus

Must accept responsibility for individuals  
professional development

New functional responsibility

New Liabilities

# Institution Pros & Cons



## PROs

ISM Implementation

Capture true cost of ES&H

Will demonstrate customer safety awareness

## CONs

May increase cost & complexity

Risk of inconsistent safety program  
(performance based vs standard approach)

Loss of checks/balances

Critical capabilities endangered loss of  
peer review/consultation

New Liabilities for Line Organizations

# Individual Pros & Cons



## PROs

Career opportunities

- diverse career path
- salary/perks

Feel more valued/owned

Evaluation based on field work

## CONs

Conflict of interest struggle between  
safety imperative and scientific process

Feels less valued by home organization

### Career Concerns

professional isolation  
stagnated path  
professional development

# Criteria for Candidate Activities

## Why Divest an Activity?

Shared Destiny (Mission, Workload, Funding)

Established (Shadow) Functions already

Economy of Scale

Achieves integration with Work or Activity

Doesn't violate ISM Goals

Customer wants it

## Why Not?

Economy of Scale

Critical Mass of Specialized Skills

Extreme need for Consistency

Specialized Instrumentation or Facility

Institution is the Customer

Undue Risk to Laboratory

Threat to Quality of Activity

# Implementation Schedule



Activity	Schedule
Divestment Proposal to ESH-DO	3/20/00
Process Approval	Management Dependent (time t)
Organization Structure Decisions	Management Dependent (time t)
Establish Customer Integration Team (Recommendation: Appoint Acting CIT to expedite existing divestment requests)	t + 1 month
Decide Divestment Candidates (Menu)	t + 2 months
Conduct Preliminary Activities	t + 3 months

# Implementation Schedule <sup>(2)</sup>



## Activity

## Schedule

Phase 1

t + 4 months, **on-going for Laboratory**  
for expedited requests, expected  
implementation at t + 5 months, ~ 10/1/00

Phase 2

Some time in the Future

# Conclusion



Regardless of Divestment Decisions, the Process brings Advantages:

- Formality of ESH Division / Customer Agreements
- Customer learns True ES&H Needs and Costs
- Enable Accounting for ES&H Activities already performed by Line
- Enable more effective Deployment of ESH Division Activities